

JCI John James Custom Homes, Inc

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**LIMITED WARRANTY & SERVICE WORK
BY JCI JOHN JAMES CUSTOM HOMES, INC..**

Warranty and Service work are different one from another.

The following is to clarify the differences and how the PURCHASER can obtain relief for both.

1) PURCHASER shall submit all Warranty and Service Work in writing. Std mail: 8340 Camby Rd Camby, In 46113, Fax: 317.856.9232, or Email: JJJames7984@aol.com

2) JCI John James Custom Homes, Inc.. extends a one (1) year Warranty and one (1) year of no-cost Service Work for every home we build. This Warranty & Service Work is extended to the current owner of the home and is fully transferable for the Warranty period. The Warranty is intended to cover structural defects due to faulty materials and/or workmanship employed in the construction of the home that may appear within a period of one (1) year. The Service Work portion of this Warranty is to provide no-cost relief to the PURCHASER in making minor repairs to more minor issues such as door adjustments, etc.

3) Warranty Commencement:

JCI John James Custom Homes, Inc. hereby gives to the PURCHASER this Warranty against structural defects due to faulty materials and/or workmanship employed in the construction of the home that may appear within a period of one (1) year commencing on the date when the Certificate of Occupancy is issued by the city in which the home was built or by certificate of completion by and between Builder/Purchaser.

4) Extended JCI Communication and Help:

JCI John James Custom Homes, Inc. offers all our customers help beyond this expressed Limited Warranty one (1) year period in the form of aid in dealing with problems after the Warranty period. Email correspondence is encouraged between JCI John James Custom Homes, Inc. and our customers to workout issues. This help is offered at no extra cost and is available as long as the original customer owns the home. JCI John James Custom Homes, Inc shall assist by:

- a. providing assistance in obtaining relief from the subcontractors and/or vendors that worked on the home after the Warranty period has expired by reviewing the problem and speaking with the proper subcontractor and/or vendor that may be able to provide relief, (in most cases the PURCHASER will be asked to pay for the repairs; however, JCI John James Custom Homes, Inc will endeavor to work as a mediator between the parties),
- b. sending biannual reminders for routine maintenance that is required with owning a home (we send out emails several times a year reminding PURCHASERS of issues related to the change of seasons and other longer term maintenance issues),
- c. sending periodical updates for service issues for products or systems in the home,
- d. offering referrals for extra work that may be needed after the Warranty period such as: plumbing service, painting, touch-up work, etc.
- e. and any other general information that is needed by the PURCHASERS that is available to us.

5) Warranty Work definition:

Warranty Work is to correct defects in faulty materials and/or workmanship that adversely effects the home in such a way that:

- a. the home is not habitable or safe for human occupancy,

- b. to correct a defect that is causing the primary function of something to not operate normally as it was intended,
- c. to correct a defect not seen at closing but would have been corrected if seen,
- d. to correct an out of the building code defect where it adversely affects the home's function.

6) Service Work definition: Service Work is to correct minor defects that naturally occur in a home's settling period such as:

- a. drywall cracks, pops, humps,
- b. caulking & painting flaws,
- c. and door and window settlement.

7) Emergencies are those items that are immediate and can't wait such as: sump pump failure of both primary pumps, no hot water, no heat or air conditioning, a plumbing leak anywhere in home, an inoperable entry door, etc.

Phone calls shall be accepted for these sorts of urgent items and such repairs made immediately.

The original PURCHASER has been provided a Vendor List with the contact information for the suppliers and subcontractors that worked on the home. In the event that JCI John James Custom Homes, Inc cannot be reached for an emergency item, PURCHASER should contact them directly. In an unfortunate event where a Warranty-oriented emergency takes place that causes the home to be uninhabitable or is causing immediate and extensive damage to the home and the PURCHASER has called our office with no response within six hours, PURCHASER should call an emergency service company to make repairs. If the problem was a Warranty related problem, JCI John James Custom Homes, Inc shall reimburse the reasonable expense directly to the PURCHASER. Purchaser must show proof of attempted contact to the proper sub.

8) Right to repair: An emergency company must only perform what is necessary to eliminate the immediate emergency. JCI John James Custom Homes, Inc. must be provided the opportunity to make all repairs.

9) Warranty Work items: should be submitted to JCI John James Custom Homes, Inc immediately, as they appear.

10) Service Work items: should be submitted to JCI John James Custom Homes, Inc twice after Closing. JCI John James Custom Homes, Inc. shall meet with the PURCHASER thirty (60) days after the closing and again at three hundred (330) days after closing to review a written list of Service Work items. Meetings to review the Service Work shall not be set until the PURCHASER has submitted a written list.

GENERAL ITEMS COVERED UNDER THIS WARRANTY:

11) It is the intent of this document to eliminate any misunderstanding in regards to the responsibilities of JCI John James Custom Homes, Inc. and the PURCHASER and to the PURCHASER that the home is well constructed in accordance with applicable building codes, the construction plans & specifications, and the BAGI (The Builders Association of Greater Indianapolis) Building Standards booklet.

12) The following is not intended as a complete list of warranted items but lists examples of common warranted problems and their remedies.

13) Some of the problems that may arise shall legitimately be the PURCHASERS responsibilities or the responsibility of the PURCHASERS homeowners insurance. Other problems may be the responsibility of a manufacturer or subcontractor and are warranted only by the pass-through of their warranty.

14) JCI John James Custom Homes, Inc is a BAGI (Builders Association of Greater Indpls) member. We build our homes to standards set by their handbook: The BAGI Quality Assurance Builder Standards (for home building & remodeling). All repairs made to issues relating to Warranty & Service Work shall be repaired to the standards stated in the BAGI handbook. This booklet shall set the standard by which repairs are made. A copy of the BAGI handbook is available to PURCHASER upon request.

15) Drywall: Because framing lumber shrinks naturally and normal settling of the home occurs, all new construction will have hairline cracks and nail pops in the drywall after several months of substantial completion. These shall be touched up per the Service Work policies stated herein.

16) Doors & trim/millwork: Sticking or warped doors shall be adjusted per the Service Work policies stated herein. Because lumber is used in the trim/millwork portion of our homes, it will shrink naturally. Cracks that develop shall be touched up per the Service Work policies stated herein.

17) Painting & staining: Paint and stain touched up are the responsibility of the purchaser and only after all other trades have completed any other Warranty or Service Work that may be required. Exterior paint sometimes warps or peels on new construction. These areas shall be scraped and repainted per the Service Work policies stated herein.

18) Electrical, Heating & Cooling, and Plumbing Systems: These systems are covered under the warranty of each subcontractor for one (1) year. The appliances and fixtures are covered under the warranty of the manufacturers. Some warranties will extend longer than one year, and each appliance and fixture may have a different warranty period.

19) A service charge may be charged to the PURCHASER by a subcontractor or vendor for service calls to the home where the PURCHASERS appliances (cloths iron, washer/dryer, table lamp, space heater, etc.) are defective, or a bad light bulb, tripped GFI-protected receptacle, turning on a tripped panel breaker, unplugging a drain, plugged ejector pit, etc. The PURCHASER (occupier of the home) should take care and fully investigate problems before calling a subcontractor or vendor directly to obtain Warranty Work. Contacting our office is always the best first step.

20) Sewer System: If the sewer system becomes clogged during the Warranty period due to construction-oriented failure, it shall be repaired. History shows that toys or other articles being flushed into the system cause most sewer clogs.

a. Basements with bathrooms and wet bars have special sewer systems in the form of an ejector (sump) pit whereas the sewage is liquefied and pushed from an enclosed pit in the basement floor into the gravity feed section of the homes sewage system. Special care is required with the ejector pit. The following are known items that can NOT be placed into the stools, sinks, or showers in a basement ejector pit: tampons and other feminine products, napkins, paper towels, condoms, fish tank gravel, gasoline, paint thinner, paint, and stain. Only human waste and standard toilet paper should be flushed in basement sewage systems.

21) Roof, Gutter & Downspout Systems: These systems are warranted against leaking and improper function. Shingles that blow off during a storm or any subsequent leak or damage caused by snow/ice damming are not covered by this or any other warranty. Most homeowners insurance policies provide protection against these occurrences. In the event, ice damming occurs twice in the same place in the same year or two consecutive

years in the same place, JCI John James Custom Homes, Inc. shall perform an onsite review of the effected area to determine if a permanent repair is required. If so, JCI John James Custom Homes, Inc. shall aid the PURCHASER in obtaining relief from the subcontractor that installed the roof system. Repairing damage to the home's interior caused by ice damming is not included in this Warranty.

22) Waterproofing foundation: JCI John James Custom Homes, Inc. shall take action necessary to correct wet areas in the basement. Wet areas are actual water flowing or seeping through, under, or over the foundation wall. In some cases, the water may flow over the wall due to flooding or a change in the final grade by the PURCHASER and are not covered under this Warranty. Dampness or condensation of the foundation walls is common to new construction and is not covered. Additionally, subcontractors that construct foundations offer warranties against water in basements. These warranties are usually much longer than one year. JCI John James Custom Homes, Inc. shall provide assistance to the PURCHASER in obtaining relief from the subcontractors in the event a leak occurs after this Warranty Agreement expires.

a. It is important that every basement have mechanical dehumidification in the basement at all times to keep the area dry. An acceptable level for the relative humidity is 30-60%. The PURCHASER must take care to insure that levels remain within this range.

23) Floor squeaks and other noises: JCI John James Custom Homes, Inc. shall attempt to correct floor squeaks and noises in the home. However, there is no warranty for these occurrences to be completely eliminated. Some squeaks can be eliminated, while others would require the removal of floor coverings and/or the dismantling of a portion of the home.

24) Tubs & showers: Chips and cracks in fiberglass tubs and showers shall be repaired if the damage occurred during the construction of the home. Defects such as these must be submitted in writing before closing. PURCHASER must not use abrasive cleaning solutions on fiberglass products.

25) Consumer products & appliances: Most, but not all, products have a one (1) year warranty by the manufacturer of the product, through the subcontractor who installed the product. In no case shall this Warranty exceed or extend beyond the warranties provided by the manufacturers and subcontractors. The manufacturers & subcontractors shall determine what adjustments, corrections, or repairs are to be made. In some unique situations, older appliances/fixtures/fountains or portions of these items are used to create highly custom or built-in home features. These special cases may have not warranty.

NON-WARRANTED ITEMS:

26) The following is not intended as a complete list of non-warranted items.

27) This Warranty shall not apply to minor defects that are common and typical to the type, grade, and nature of the lumber used in the construction of this home.

28) This Warranty shall not apply if repair or replacement is necessitated by accident, neglect, misuse, acts of God, terrorism, acts of a person engaged in malicious damage, fires, flooding, explosions, high winds, or other catastrophes.

29) Expansion and contraction of materials due to weather changes and natural settling cannot be warranted. This is NOT a sign of defects in materials or workmanship. This occurs naturally and there is no known way to absolutely prevent it. JCI John James Custom Homes, Inc. has taken reasonable precautions to minimize the occurrence of these problems and is kept informed on research on new materials and techniques to further improve all non-Warranty items. The Service Work portion of this agreement allows for the touch-up of the home two times after closing dealing with this occurrence.

30) Concrete: There is no Warranty on concrete. Neither JCI John James Custom Homes, Inc., the concrete subcontractor, nor the concrete batch plant shall warrant the driveway, walks, garage & basement floor, or concrete patio against cracking, shifting, and/or surface deterioration in any way. Concrete cracks and concrete spalling are inherent to the product.

31) Brick: There is no Warranty for brick efflorescence. This whitish film sometimes develops on newer brick in areas where water can absorb into the brick. It may come and go for several years but will diminish with time.

32) Hose bibs, sill cocks, (out door water sources): There is no Warranty for frozen hose bibs where installed properly. PURCHASER must disconnect all hoses from the hose bibs during cold weather. All hose bibs are frost proof valves and hold the water back inside the pipe in the floor system of the home. They can safely be used throughout cold weather. There is no manual shut off inside the home. When turning on hose bibs for the first time in warm weather, an immediate inspection for a water leak inside the home is recommend.

33) Batteries and light bulbs are not covered under this Warranty.

34) Wood-burning fireplaces: There is no Warranty that a wood-burning fireplace will draw under all conditions of weather.

35) Wet areas in yard: There is no Warranty against wet areas below grade that are caused by public sewer backup or latent under ground springs or development drainage swales. JCI John James Custom Homes, Inc. is not a land developer and not responsible for drainage swales installed by others. Swales are special zones that are NOT buildable. JCI John James Custom Homes, Inc cannot alter them.

36) Noise: There is no Warranty that all noise can be eliminated from the home. The movement of water and air result in sound transmission. Total elimination of noise is impossible.

37) Roof and gutter leaks: Leaks in the roof and gutter system shall be repaired, except when the leak occurs or is caused by ice/snow on the roof. There is no Warranty against leaks or any subsequent damage caused by ice damming. Most homeowners insurance policies provide protection against this occurrence. In the event, ice damming occurs twice in the same place in the same year or two consecutive years in the same place, JCI John James Custom Homes, Inc. shall perform an onsite review of the effected area to determine if a permanent repair is required. If so, JCI John James Custom Homes, Inc shall aid the PURCHASER in obtaining relief from the subcontractor that installed the roof system. Repairing damage to the home interior caused by ice damming is not included in this Warranty.

38) Gutters: Cleaning gutters is not covered under this Warranty. In some cases, the roof may appear to be leaking if gutters are not cleaned correctly. There is no Warranty for leaks caused by gutters not cleaned properly.

New landscaping (sod, grass seeding, new trees/shrubs/plants): There is no Warranty that sod will actually grow, nor that grass seed shall germinate and grow. A new lawn requires a great deal of effort by the PURCHASER. New lawns need fertilizer and regular watering. The PURCHASER should consult with a landscaper in order to understand how to start and maintain a new lawn and protect the plants. All warranties on new trees, shrubs, and plants are a pass through warranty from the landscape contractor, if one exists. JCI John James Custom Homes, Inc. shall NOT Warranty sod, grass or seed, trees, shrubs, or plants if they die. A warranty covering new landscaping is an optional upgrade and is not standard with this Warranty agreement.

40) Existing landscaping (trees, shrubs, plants): Reasonable efforts are made to leave existing trees, shrubs, and natural areas undisturbed. There is no Warranty that these trees and plants are alive or will continue to live for any period. JCI John James Custom Homes, Inc. shall not remove, replace, or trim any existing trees that are alive, dying, or dead.

41) General toxic substances & mold: There is no Warranty against loss or damage resulting from toxic fumes, radon gas, other gases, gas exhaust, carcinogenic substances, or any form of interior or exterior moss or mold. This exclusion specifically applies to mold growth inside or outside the home. Mold occurs naturally in almost all indoor environments. Mold spores may also enter a home through open doorways, windows or a variety of other sources. JCI John James Custom Homes, Inc. has no experience, expertise, or information regarding mold or the detection of mold. JCI John James Custom Homes, Inc. makes no Warranty or representation of any kind, express, or implied, regarding the presence or effect of mold on or in proximity to the property. No Warranty or representation of any kind, express or implied, regarding the presence or absence of mold, or regarding the effectiveness of any architectural or engineering fixture or design for reducing the presence, affect or growth of mold is made by JCI John James Custom Homes, Inc. Furthermore, JCI John James Custom Homes, Inc. specifically disclaims any property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value and adverse health effects resulting from mold accumulation.

TERMS OF THIS WARRANTY & SERVICE AGREEMENT:

42) Nonpayment suspension: All provisions of this Warranty & Service Work agreement shall be suspended from the PURCHASER if there is any payment still due JCI John James Custom Homes, Inc. or any of its subcontractors or vendors for work that has been substantially completed for the home or any extras, Changes, or other agreed upon items until proper payment is made in full.

43) The Purchased ATMs maintenance responsibilities start the day of closing. The PURCHASER is required to exercise reasonable care of the premises and perform reasonable maintenance to the premises.

44) Small items: PURCHASER is encouraged to take initiative on small nuisance items such as a missing screw, tightening of knobs, key that doesnt fit, etc.

45) This Warranty is non-transferable to any new owner of the home under the terms stated herein.

46) Actual onsite work: When a tradesman arrives to provide Warranty Work, the PURCHASER is encouraged NOT to find additional items that were not included on the written list. Such unwritten additions are poorly received by the tradesman. Furthermore, PURCHASER must allow access to the home for inspections and to work by JCI John James Custom Homes, Inc. and its subcontractors and vendors during normal business hours of Monday-Friday 8am-5pm. Only special circumstances or emergencies may require after hours work.

47) Disputes: In the event a dispute arises with respect to whether repairs or replacements are covered by this Warranty, and such a dispute cannot be amicably resolved, settlement shall occur in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award by Arbitrator(s) may be entered in any court having jurisdiction thereof. Any arbitration shall be conducted at the WORK site.

48) Every item of this Warranty is declared independent from the rest of the Warranty. Therefore, if any item is held to be invalid, it shall be without effect on the validity of the balance of the Warranty.

49) There are no other expressed or implied warranties beyond this Warranty agreement between the PURCHASER and JCI John James Custom Homes, Inc.

50) JCI John James Custom Homes, Inc. liability to the PURCHASER is limited to the performance of services in accordance with this Warranty. Liability for consequential damages is excluded from this Warranty agreement to the extent that the law permits the exclusion. JCI John James Custom Homes, Inc. shall not be liable for secondary or collateral damages caused by any structural defects.

SERVICE WORK/TOUCH-UPS/PUNCH-OUTS PROCEDURES:

JCI John James Custom Homes, Inc. has established standard procedures for Service Work where the touch-up of the home is performed.

51) The Post Move-In Service Touch-Up is performed 8 weeks after move-in of the PURCHASER. JCI John James Custom Homes, Inc. shall make contact with the PURCHASER via email and request a written list of concerns. Once the list has been reviewed, a second email message shall be sent requesting an appointment to review the list. Once the list has been discussed onsite, JCI John James Custom Homes, Inc. shall schedule the Service Work. The subcontractors shall contact the PURCHASER directly to schedule the Work. In addition, during this Work, other minor touch-up of paint/drywall damage caused by moving in shall be repaired at cost to the PURCHASER. Major damage shall be repaired after both parties have agreed upon a cost of the repair(s).

52) The 11 month touch-up is like the post move-in touch-up, taking place approximately eleven (11) months after substantial completion of the WORK. Another email shall be sent requesting a written list of concern(s), then another to schedule a meeting to review, and then the Work shall be scheduled. Many times problems are not obvious until a change in seasons and normal wear & tear take their affect. Any touch-up Service Work items missed before closing or at The Post Move-In Service Touch-up shall be corrected at this point. This is the last touch-up that is performed at no cost to the PURCHASER. The home should be carefully inspected to insure that nothing is missed.

Revised 11/06/2007

Client by signing below agrees to abide by all aforementioned terms and conditions:

Client: _____ Date: _____

Client: _____

Builder: _____

